

APPENDIX DATED 3 MAY 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix is circulated to the shareholders of Reclaims Global Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 January 2024 (“**Annual Report**”), and its purpose is to provide Shareholders (as defined herein) with information relating to, and the reasons for, the proposed renewal of the IPT Mandate (as defined herein), and to seek Shareholders’ approval in relation to the same at the AGM (as defined herein) to be held at 10 Tuas South Street 7, #03-00, Singapore 637114 on Monday, 27 May 2024 at 10.00 a.m.

The Notice of AGM, Proxy Form, Request Form, Annual Report and this Appendix are made available to Shareholders on the same date hereof, via SGXNET and the Company’s website. A printed copy of the Notice of AGM, Proxy Form and Request Form will be despatched to Shareholders.

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”) you need not forward this Appendix, the Notice of AGM, the accompanying Proxy Form and Request Form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix, Notice of AGM, the accompanying Proxy Form and Request Form to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, the Notice of AGM, the accompanying Proxy Form and Request Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

*This Appendix has been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “**Sponsor**”). This Appendix has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this Appendix including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix. The contact person for the Sponsor is Ms Audrey Mok (Tel no.: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*



RECLAIMS GLOBAL LIMITED

(Incorporated in the Republic of Singapore on 11 October 2018)
(Company Registration No.: 201834755M)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING IN RELATION TO THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE

IMPORTANT DATE AND TIMES:

Last date and time for submission of questions in advance	:	11 May 2024 at 10 a.m.
Last date and time for lodgement of Proxy Form	:	24 May 2024 at 10 a.m.
Date and time of Annual General Meeting	:	27 May 2024 at 10.00 a.m.
Place of Annual General Meeting	:	10 Tuas South Street 7 #03-00, Singapore 637114

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DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

- “2019 Circular”** : Has the meaning set out in paragraph 2.1 of this Appendix
- “2019 EGM”** : The extraordinary general meeting of the Company held on 30 May 2019
- “2023 AGM”** : The annual general meeting of the Company held by electronic means on 26 May 2023 at 10.00 a.m.
- “2024 AGM”** : The annual general meeting of the Company to be held on 27 May 2024 at 10.00 a.m.
- “AGM”** : Annual General Meeting
- “Annual Report”** : The annual report of the Company for the relevant financial year, and **“Annual Reports”** shall be construed accordingly
- “Annex”** : The annex to this Appendix
- “Appendix”** : This Appendix to the Notice of AGM dated 3 May 2024
- “Approved Exchange”** : A stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules
- “Associate”** : (a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

DEFINITIONS

“Associates” shall be construed accordingly.

“Associated Company”	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
“Audit Committee”	:	The audit committee of the Company for the time being. As at the date of this Appendix, the Audit Committee comprises Mr Jong Voon Hoo, Mr Chang Chi Hsung, and Ms Lim Hui Chee
“Board”	:	The board of directors of the Company for the time being
“Building Materials IPTs”	:	Has the meaning set out in paragraph 4.1 of the Annex
“Catalist Rules”	:	Listing Manual Section B: Rules of Catalist of the SGX-ST as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	The chief executive officer of the Company. As at the date of this Appendix, the CEO is Mr Tan Kok Huat
“COO”	:	The chief operating officer of the Company. As at the date of this Appendix, the COO is Ms Chan Bih Tzy
“Companies Act”	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Reclaims Global Limited
“Constitution”	:	Constitution of the Company, as amended, modified or supplemented from time to time
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the voting rights in the Company; or (b) in fact exercises Control over the Company
“Directors”	:	The directors of the Company for the time being
“Entity at Risk”	:	(a) The Company; (b) A subsidiary of the Company that is not listed on the SGX-ST or an Approved Exchange; or

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	(c)	An Associated Company of the Company that is not listed on the SGX-ST or an Approved Exchange, provided that the Group, or the Group and its Interested Person(s), has control over the Associated Company
“Excavator Leasing List”	:	Has the meaning set out in paragraph 6.1.2 of the Annex
“Excavators IPTs”	:	Has the meaning set out in paragraph 4.1 of the Annex
“Financial Controller”	:	The financial controller of the Company. As at the date of this Appendix, the Financial Controller is Mr Toh Yang Wee
“FY2024”	:	Financial year of the Company ended 31 January 2024
“FY2025”	:	Financial year of the Company ending 31 January 2025
“Group”	:	The Company and its subsidiaries
“Group Finance Team”	:	The Financial Controller, who has no interest, direct or indirect, in the transaction, assisted by the finance department of the Group
“Interested Director”	:	The Company’s Executive Chairman, Mr Chan Chew Leh
“Interested Person(s)”	:	Each of the Company’s Directors, CEO, Controlling Shareholders and their respective Associates
“Interested Person Transaction”	:	A transaction between an Entity at Risk and an Interested Person, where a “transaction” includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of goods or services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business and whether or not entered into directly or indirectly
“IPT Mandate”	:	The general mandate for Interested Person Transactions permitting the Group to enter into the Mandated Transactions with the Mandated Interested Persons, which was previously adopted by Shareholders on 15 May 2019 and for which renewal is now being sought at the 2024 AGM
“Latest Practicable Date”	:	12 April 2024, being the latest practicable date prior to the printing of this Appendix
“Leasing IPTs”	:	Has the meaning set out in paragraph 4.1 of the Annex

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“Mandated Interested Persons”	:	Collectively NDC and NDCPL
“Mandated Transactions”	:	Has the meaning set out in paragraph 4.1 of the Annex
“NDC”	:	New Development Construction
“NDCPL”	:	New Development Contractors Pte. Ltd.
“Non-Interested Directors”	:	The Directors who are considered independent for the purposes of making a recommendation on the proposed renewal of the IPT Mandate, namely, Mr Tan Kok Huat, Ms Chan Bih Tzy, Mr Jong Voon Hoo, Mr Chang Chi Hsung, Mr Tan Heok Ping Joshua and Ms Lim Hui Chee
“Notice of AGM”	:	The notice of the 2024 AGM
“NTA”	:	Net Tangible Assets
“Proxy Form”	:	The proxy form in respect of the 2024 AGM
“Proposed IPT Mandate Renewal”	:	The proposed renewal of IPT Mandate
“Request Form”	:	The request form to request for a printed copy of the annual report for FY2024, including this Appendix
“Securities Account”	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share(s)”	:	Ordinary share(s) in the share capital of the Company
“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
“Sponsor”	:	SAC Capital Private Limited
“Standard IPTs”	:	Has the meaning set out in paragraph 6.1.1 of the Annex
“Standard Price List”	:	Has the meaning set out in paragraph 6.1.1 of the Annex

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“Standard Prices” : Has the meaning set out in paragraph 6.1.1 of the Annex

“Substantial Shareholder” : A person (including a corporation) who holds, directly or indirectly, 5% or more of the total voting Shares in the Company

“Transportation IPTs” : Has the meaning set out in paragraph 4.1 of the Annex

Currencies, Units and Others

“S\$ or cents” : Singapore dollars and cents, respectively

“%” : Per centum or percentage

The terms **“Depositor”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in section 81SF of the SFA.

The term **“subsidiaries”** shall have the meaning ascribed to it in section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory or regulatory modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Appendix shall be a reference to Singapore time, unless otherwise stated. Any discrepancies in this Appendix between the amounts listed and the total thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

LETTER TO SHAREHOLDERS

RECLAIMS GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201834755M)

Directors:

Mr Chan Chew Leh (Executive Chairman)
Mr Tan Kok Huat (Executive Director and CEO)
Ms Chan Bih Tzy (Executive Director and COO)
Mr Jong Voon Hoo (Lead Independent Director)
Mr Chang Chi Hsung (Independent Director)
Mr Tan Heok Ping Joshua (Independent Director)
Ms Lim Hui Chee (Independent Director)

Registered Office:

10 Tuas South Street 7
Singapore 637114

3 May 2024

To: The Shareholders of Reclaims Global Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE

1. INTRODUCTION

- 1.1 The Directors have convened the 2024 AGM to seek the approval of Shareholders for the proposed renewal of the IPT Mandate.
- 1.2 The purpose of this Appendix is to provide Shareholders with information relating to, and the reasons for, the proposed renewal of the IPT Mandate.
- 1.3 The SGX-ST takes no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this Appendix.
- 1.4 TSMP Law Corporation is the legal adviser to the Company in relation to the Proposed IPT Mandate Renewal.

2. THE PROPOSED IPT MANDATE RENEWAL

2.1 Background

At the 2019 EGM, Shareholders had approved the Company's adoption of the IPT Mandate to enable Entities at Risk to enter into Mandated Transactions with Mandated Interested Persons as described in the Company's circular to Shareholders dated 15 May 2019 (the "**2019 Circular**"), provided that such transactions are made in accordance with the guidelines and review procedures set out in the 2019 Circular.

The IPT Mandate is subject to annual renewal. The IPT Mandate was renewed at the 2023 AGM and has been in force since the date of the 2023 AGM, and shall continue in force until the 2024 AGM or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, subject to satisfactory review by the Audit Committee of its continued relevance and application and sufficiency of the guidelines and review procedures under the IPT Mandate to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

Accordingly, the Directors propose that the IPT Mandate be renewed at the 2024 AGM to take effect until the next annual general meeting of the Company is held or required by law to be held, whichever is earlier. There is no change to the terms of the IPT Mandate which is proposed to be renewed, that is, there are no changes to the Mandated Interested Persons, the Mandated Transactions, and the guidelines and review procedures for Mandated Transactions subject to the IPT Mandate.

2.2 Details of the IPT Mandate

Details of the IPT Mandate, including the rationale for, and the benefits to, the Company, the guidelines and review procedures for determining transaction prices with the Interested Persons and other general information relating to Chapter 9 of the Catalist Rules, are set out in the Annex to this Appendix.

2.3 Abstention of voting

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, the Interested Director and his Associates shall abstain from voting in respect of each of their shareholdings on the ordinary resolution approving the proposed renewal of the IPT Mandate as set out in the Notice of AGM. Furthermore, the Interested Director and his Associates shall decline appointment to act as proxies to vote at the 2024 AGM in respect of the ordinary resolution relating to the proposed renewal of the IPT Mandate for other Shareholders unless the Shareholders concerned have given specific voting instructions as to the manner in which his/her votes are to be cast at the 2024 AGM.

2.4 Audit Committee Statement

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 2019 EGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

3. VALIDITY PERIOD OF THE IPT MANDATE

If approved by the Shareholders at the 2024 AGM, the IPT Mandate will take effect from the date of passing of the ordinary resolution relating thereto, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company is held or required by law to be held, whichever is earlier. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued relevance and application to Mandated Transactions and sufficiency of the guidelines and review procedures under the IPT Mandate to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

4. DISCLOSURE IN ANNUAL REPORT

- 4.1 In accordance with the requirements of Chapter 9 of the Catalist Rules, disclosure will be made in the Annual Report of the aggregate value of all Mandated Transactions during the current financial year, and in the Annual Reports for subsequent financial years that the IPT Mandate continues in force. The Company will also announce the aggregate value of all Mandated Transactions for each financial period on which the Company is required to report on pursuant to the Catalist Rules within the time required for the announcement of such reports.
- 4.2 The name of the Interested Persons, the nature of relationship and the corresponding aggregate value of Interested Person Transactions entered into with the same interested person will be presented in the following format (or in such other form as the Catalist Rules may require from time to time):

Name of Interested Person	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all Interested Person Transactions conducted under the IPT Mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)

5. DIRECTORS' RECOMMENDATION

The Non-Interested Directors, having considered, among other things, the terms of, rationale for and benefits of the IPT Mandate, the guidelines and review procedures of the Company for determining the transaction prices of the Mandated Transactions, the role of the Audit Committee in enforcing the IPT Mandate and the statement of the Audit Committee, are of the opinion that the review procedures set out in the IPT Mandate remain sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interest of the Company and its minority Shareholders. Furthermore, as the entry by the Group into the Mandated Transactions with the Mandated Interested Persons is in the ordinary course of business, the renewal of the IPT Mandate will enhance the efficiency of the Group and is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the IPT Mandate to be proposed at the 2024 AGM.

As different Shareholders would have different investment objectives, the Non-Interested Directors recommend that any individual Shareholder who may require specific advice in relation to the proposed renewal of the IPT Mandate should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

LETTER TO SHAREHOLDERS

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 The interests of the Directors and Substantial Shareholders in the Shares, as at the Latest Practicable Date, are as follows:

Directors	Direct interest		Deemed interest		Total interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Mr Chan Chew Leh	51,253,997	39.13	–	–	51,253,997	39.13
Mr Tan Kok Huat	50,616,003	38.64	–	–	50,616,003	38.64
Ms Chan Bih Tzy	1,039,900	0.79	–	–	1,039,900	0.79
Mr Jong Voon Hoo	–	–	–	–	–	–
Mr Chang Chi Hsung	–	–	–	–	–	–
Mr Tan Heok Ping Joshua	–	–	–	–	–	–
Ms Lim Hui Chee	–	–	–	–	–	–

Note:

(1) Based on the issued share capital of the Company of 131,000,000 Shares as at the Latest Practicable Date.

Other than the Interested Director, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect (other than through their shareholding in the Company), in the Proposed IPT Mandate Renewal.

7. ANNUAL GENERAL MEETING

The 2024 AGM will be held at 10 Tuas South Street 7, #03-00, Singapore 637114 on 27 May 2024 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, *inter alia*, the ordinary resolution relating to the Proposed IPT Mandate Renewal, as set out in the Notice of AGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 Shareholders should refer to the Notice of AGM, the accompanying Proxy Form and Request Form which has been despatched to Shareholders. Electronic copies of the aforementioned documents, the annual report of the Company for FY2024, and this Appendix will be made available to Shareholders via SGXNET and the Company's website at <https://www.reclaims.sg>.

8.2 A Depositor shall not be regarded as a Shareholder entitled to attend and vote at the 2024 AGM unless he is shown to have Shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the 2024 AGM, as certified by CDP to the Company.

LETTER TO SHAREHOLDERS

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed IPT Mandate Renewal, the Company and its subsidiaries, and the Directors are not aware of any facts or the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 10 Tuas South Street 7, Singapore 637114, during normal business hours from the date of this Appendix up to and including the date of the 2024 AGM:

- (a) the Constitution;
- (b) the Annual Report for FY2024; and
- (c) this Appendix.

Yours faithfully

For and on behalf of the Board
RECLAIMS GLOBAL LIMITED

Tan Kok Huat
Executive Director and CEO

ANNEX – THE IPT MANDATE

1. Chapter 9 of the Catalist Rules

- 1.1 Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an “**Entity at Risk**”) enters into or proposes to enter into with a party who is an interested person. The purpose is to guard against the risk that interested persons could influence the Entities at Risk to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.
- 1.2 An immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.
- 1.3 In particular, an immediate announcement is required where:
- (a) the value of the proposed transaction is equal to or more than 3% of the latest audited NTA of the listed group; or
 - (b) the aggregate value of all transactions (including the subject transaction) entered into with the same interested person during the same financial year is equal to or more than 3% of the latest audited NTA of the listed group.
- 1.4 In addition to an immediate announcement, shareholders’ approval is required where:
- (a) the value of the proposed transaction is equal to or more than 5% of the latest audited NTA of the listed group; or
 - (b) the aggregate value of all transactions (including the subject transaction) entered into with the same interested person during the same financial year, is equal to or more than 5% of the latest audited NTA of the listed group. The aggregation will exclude any transaction that has been approved by shareholders previously, or is the subject of aggregation with another transaction that has been previously approved by shareholders.
- 1.5 The above requirements for immediate announcement and/or for shareholders’ approval do not normally apply to any transaction below S\$100,000 and certain transactions listed under Rules 915 and 916 of the Catalist Rules. However, the SGX-ST may, in certain situations, aggregate any transactions below S\$100,000 entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Catalist Rules.
- 1.6 **For illustrative purposes only**, based on the latest audited consolidated financial statements of the Group for FY2024, the NTA of the Group was S\$29,763,000. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Catalist Rules, in the current financial year, being FY2025, and until such time as the audited consolidated financial statements of the Group for the current financial year are published, Shareholders’ approval is required where:
- (a) the transaction is of a value equal to, or more than, approximately S\$1,488,000, being 5% of the Group’s latest audited NTA as at 31 January 2024; or

ANNEX – THE IPT MANDATE

- (b) the transaction, when aggregated with other transactions entered into with the same Interested Person during the same financial year, is of a value equal to, or more than, S\$1,488,000. The aggregation will exclude any transaction that has been approved by Shareholders previously or is the subject of aggregation with another transaction that has been approved by Shareholders.

- 1.7 Chapter 9 of the Catalist Rules, however, permits a listed company to seek a general mandate from its shareholders for recurrent transactions of revenue or trading nature or those necessary for its day-to-day operations such as the purchase or sale of supplies and materials, which may be carried out with interested persons of the listed company. It should be noted that no such mandate can be sought for the purchase or sale of assets, undertakings or businesses. In addition, a general mandate is subject to annual renewal.

2. Background

- 2.1 The principal activities of the Group are (i) the reclaiming of natural and urban resources and recycling them for sale as economic resources to our customers; (ii) the provision of excavation services including earth moving, mass excavation, deep basement excavation, foundation and pile cap excavation; and (iii) the provision of material transportation and disposal services using our fleet of tipper trucks.
- 2.2 It is anticipated that the Group will, in the ordinary course of business, enter into transactions including, but not limited to, Mandated Transactions with the Mandated Interested Persons (as described in paragraphs 3 and 4 of this Annex). It is likely that Mandated Transactions with the Mandated Interested Persons will be frequent and could arise at any time.
- 2.3 The IPT Mandate and any subsequent renewal on an annual basis will eliminate the need for the Company to convene general meetings from time to time to seek Shareholders' approval as and when potential Mandated Transactions with the Mandated Interested Persons arise, thereby reducing substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

3. Mandated Interested Persons

The IPT Mandate will apply to Mandated Transactions (as described in paragraph 4 of this Annex) which are carried out between any Entity at Risk and the following Mandated Interested Persons:

- (a) **NDCPL**

NDCPL is a company incorporated in Singapore whose principal business is building and construction, involving mostly provision of excavation services to the extent permitted under the terms of the non-compete undertaking given by Mr Chan Chew Leh to the Group. Its sole director and shareholder is Mdm Tan Lay Khim, who is the wife of our Executive Chairman, Mr Chan Chew Leh. As such, NDCPL is an Associate of our Executive Chairman, Mr Chan Chew Leh and is also an Interested Person; and

ANNEX – THE IPT MANDATE

(b) NDC

NDC is a sole proprietorship registered in Singapore whose principal business is building and construction, involving mostly provision of excavation services to the extent permitted under the terms of the non-compete undertaking given by Mr Chan Chew Leh to the Group. NDC is owned by NDCPL. As such, NDC is an Associate of Mr Chan Chew Leh and is also an Interested Person.

4. Scope of Transactions under the IPT Mandate

4.1 The types of Interested Person Transactions covered under the IPT Mandate relates to the following transactions that are carried out in the ordinary course of business between the Entities at Risk and the Mandated Interested Persons (the “**Mandated Transactions**”):

- (a) the sale of recycled building materials and building materials to the Mandated Interested Persons (the “**Building Materials IPTs**”);
- (b) the provision of transportation and logistics services to the Mandated Interested Persons (the “**Transportation IPTs**”);
- (c) the leasing of plant and equipment to the Mandated Interested Persons (the “**Leasing IPTs**”); and
- (d) the leasing of excavators from the Mandated Interested Persons (the “**Excavators IPTs**”).

4.2 For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT Mandate. Transactions with Interested Persons (including the Mandated Interested Persons) which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules.

5. Rationale for and Benefits of the IPT Mandate

The Group envisages that in the ordinary course of its business, the Group will enter into Building Materials IPTs, Transportations IPTs, Leasing IPTs and Excavators IPTs with the Mandated Interested Persons from time to time. In view of the time-sensitive and recurrent nature of these commercial transactions, and the need for smooth and efficient conduct of business, it would be advantageous for the Group to obtain the IPT Mandate for the Group as it will eliminate, among others, the need for the Company to convene separate general meetings on each occasion to seek Shareholders’ approval as and when Mandated Transactions arise, provided that such transactions are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. This will substantially reduce the time and expenses associated with convening general meetings, improve administrative efficacy, and allow resources and time to be focused towards other corporate and business opportunities.

6. Guidelines and Review Procedures under the IPT Mandate

To ensure that all Mandated Transactions are conducted on an arm’s length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Group will adopt the specific guidelines and procedures as set out below.

ANNEX – THE IPT MANDATE

6.1 Review procedures

Prior to entering into any Mandated Transaction, the Company will implement the following review procedures:

6.1.1 *Building Materials IPTs, Transportation IPTs and Leasing IPTs*

(a) The Building Materials IPTs, Transportation IPTs and Leasing IPTs (the “**Standard IPTs**”) may occur on a day-to-day basis. The prices/rates for the Standard IPTs shall be determined with reference to a price list maintained by the Financial Controller (the “**Standard Price List**”). The Standard Price List consists of at least two (2) recent comparable quotations extended to unrelated third party(ies), for each category of Standard IPTs (the “**Standard Prices**”). Prices/rates extended by the Group to the Mandated Interested Persons for the Standard IPTs shall be at the prevailing market rates, and on terms no more favourable to the Mandated Interested Persons than the Standard Prices, taking into account other relevant factors such as:

- quantity of purchase;
- quality or specifications of products;
- delivery costs;
- storage costs;
- potential gross profit margins;
- payment and credit terms;
- track record;
- historical sales price charged by the Group for such products or services; and
- preferential rates and discounts accorded to long-term customers, customers with exclusive business relationships with the Group, or for bulk purchases by the customers.

(b) In the event that it is not practicable or appropriate to compare against the terms of other transactions or quotations made to unrelated third parties or to obtain the price and terms of at least two (2) other recent comparative transactions (as stipulated above) or in situations where the products or services may be purchased only by an Interested Person, an executive Director (who has no interest, direct or indirect, in the transaction) shall (i) review the pricing and terms of the Standard IPTs for consistency with the Group’s normal business practices and determine if they are on normal commercial terms; and (ii) evaluate and weigh the benefits of and rationale for transacting with the Mandated Interested Persons, taking into account all pertinent factors, including but not limited to:

- quantity of purchase;
- quality or specifications of products;
- delivery costs;
- storage costs;

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- potential gross profit margins;
- payment and credit terms;
- track record;
- historical sales price charged by the Group for such products or services; and
- preferential rates and discounts accorded to long-term customers, customers with exclusive business relationships with the Group, or for bulk purchases by the customers.

6.1.2 *Excavators IPTs*

From time to time, the Group may enter into Excavators IPTs for its excavation and earthworks operations. The Mandated Interested Person will provide the Financial Controller with an excavator leasing price list (the “**Excavator Leasing List**”) that will be updated at the start of every financial year (or at any subsequent point deemed necessary due to price fluctuations) and be valid for the period, covering the different classes of excavators, duration of rental, charges for diesel (if applicable), and the inclusion of excavator operators. The Financial Controller shall, upon receiving the updated Excavator Leasing List, compare the Excavator Leasing List with at least two (2) recent comparable quotations extended by third party(ies) for the leasing of excavators. In order to ensure that the transactions are carried out on normal commercial terms and will not be prejudicial to the Group and its minority Shareholders, the Group shall enter into the Excavators IPTs with the Mandated Interested Persons on terms no less favourable to the Group than the rates charged by unrelated third parties to the Group.

The Financial Controller or such other executive officer (who has no interest, direct or indirect, in the transaction) of the Company as appointed by the Audit Committee shall, on a regular basis, review the Standard Price List and Excavator Leasing List together with the volume and quantum of the Mandated Transactions as well as the rates/prices for similar products and services provided to unrelated third parties. The review will be performed on a monthly basis for the Building Materials IPTs, Transportation IPTs and Leasing IPTs, and on a quarterly basis for the Excavators IPTs, or such other period as may be approved by the Audit Committee. In the event there are material variations or updates, the Financial Controller or such other independent executive officer of the Company as appointed by the Audit Committee shall escalate and, where applicable, propose any changes as may be deemed necessary to the Audit Committee. The Audit Committee will consider the revision of the said Standard Price List and Excavator Leasing List and/or the review as and when necessary and appropriate.

The Audit Committee shall review and approve the Standard Price List and Excavator Leasing List together with the volume and quantum of the Mandated Transactions as well as the selling prices for similar products and services provided to unrelated third parties on a regular basis (at least on a quarterly basis or such other period as may be approved by the Audit Committee).

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6.2 Threshold limits

6.2.1 The Group will monitor and categorise all Mandated Transactions as follows:

- (a) a “Category 1” Mandated Transaction is one where the value thereof is equal to or more than S\$500,000; and
- (b) a “Category 2” Mandated Transaction is one where the value thereof is below S\$500,000.

“Category 1” Mandated Transaction must be reviewed and approved by the Audit Committee prior to entry.

“Category 2” Mandated Transaction need not be approved by the Audit Committee prior to entry but must be approved by the Financial Controller or such other person(s) designated by the Audit Committee from time to time, who shall not be interested in any of the Mandated Transactions.

6.2.2 The approval thresholds set out above have been adopted by the Group after taking into account, *inter alia*, the nature, volume, recurrent frequency and size of the Mandated Transactions, as well as the Group’s day-to-day operations, administration and business. The threshold limits are arrived at with the view to strike a balance between (i) maximising the operation efficiency of the day-to-day operations of the Group, and (ii) maintaining adequate internal controls and governance in relation to the Mandated Transactions.

6.3 Additional controls

6.3.1 *Register of Interested Persons and their Associates*

The Group Finance Team will maintain a list of the Interested Persons and their Associates (which is to be updated immediately if there are any changes) to enable identification of the Interested Persons. The list of Interested Persons shall be reviewed on a semi-annual basis by the Financial Controller and subject to such verifications or declarations as required by the Audit Committee for such period as determined by them. This list of the Interested Persons shall be disseminated to all staff of the Group that the Group Finance Team considers relevant for the purposes of entering into Interested Person Transactions.

6.3.2 *Register of Interested Person Transactions*

The Group Finance Team will maintain a register of all Interested Person Transactions carried out with Interested Persons (including the Mandated Transactions), which will record and document the identities of the Interested Persons, the basis, including the quotations and other evidence obtained to support such basis on which they were entered into, as well as the approving authority. Any discrepancies or significant variances (as determined by the Audit Committee) from the Group’s usual business practices and pricing policies will be highlighted to the Audit Committee. The register of Interested Persons Transactions will also record any transaction with Interested Persons (including the Mandated Transactions) that are below S\$100,000 in value.

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6.3.3 *Periodic review of the register of Interested Person Transactions*

The Audit Committee shall periodically, at least on a quarterly basis, review the register of Interested Persons Transactions to ensure that all Interested Person Transactions (including the Mandated Transactions) are carried out on normal commercial terms and in accordance with the guidelines and review procedures under the IPT Mandate. Such review includes the examination of the transaction(s) and its supporting documents (including the assessment of the creditworthiness of the Interested Persons) or such other documents deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the Interested Person Transactions under review. The Group's internal and external auditors shall assist the Audit Committee in such review and carry out such tests as they deem necessary.

6.3.4 *Periodic review by internal auditors*

The Company shall incorporate into its internal audit plan a semi-annual review of all Interested Person Transactions (including the Mandated Transactions), and compliance with the guidelines and established review procedures for the monitoring of such Interested Person Transactions (including the Mandated Transactions). This is to ensure that the relevant approvals have been obtained, and the guidelines and established review procedures have been adhered to. The internal auditors will forward their review reports to the Audit Committee.

6.3.5 *Review of the adequacy of guidelines and review procedures by the Audit Committee*

In addition, the Audit Committee shall also review from time to time the guidelines and review procedures to determine if they are adequate and/or commercially practicable in ensuring that all Interested Person Transactions (including the Mandated Transactions) are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

In the event the Audit Committee is of the view that such guidelines and review procedures are have become inappropriate or insufficient in view of the changes to the nature of, or the manner in which, the business activities of the Group are conducted, it will, in consultation with the Board, take such actions as it deems proper in respect of such procedures and guidelines and/or modify or implement such procedures and guidelines as may be necessary to ensure that the Interested Person Transactions (including the Mandated Transactions) will be conducted on normal commercial terms and, hence, will not be prejudicial to the interests of the Company and its minority Shareholders, and the Company will seek a fresh mandate from the Shareholders based on the new review procedures and guidelines for the Interested Person Transactions (including the Mandated Transactions). All new Mandated Transactions will be reviewed and approved by the Audit Committee prior to entry while a fresh mandate is being sought from the Shareholders.

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6.3.6 *Interested members of the Audit Committee to abstain*

In the event that any member of the Audit Committee (where applicable) is interested (directly or indirectly) in any transaction, he will abstain from participating in the review and approval process in relation to that particular transaction to ensure that the transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.